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Volatile Spy Chief

Casey Raises Morale And Budget at CIA, But Not Public Image

Stumbling on Covert Action Obscures Higher Quality Of Intelligence Analyses

The Nine Mexico Revisions

By David Ignatius
Staff Reporter of The Wall Street Journal

WASHINGTON—Some years ago, William Casey wanted to buy a fancy house here that had already been promised to the Japanese embassy. The owner, a genteel society woman, worried about what she would say to the Japanese.

"Tell them," Mr. Casey replied, "Remember Pearl Harbor." The brash Mr. Casey didn't get the house.

That anecdote, told by one of Mr. Casey's close friends, illustrates the volatile personality of the current director of central intelligence. He is quick-witted and aggressive, but he is also impulsive, with an arrogant streak that often gets him in trouble.

As CIA director, Mr. Casey has demonstrated that same mix of good and bad traits, of smart decisions and dumb ones. He arrived four years ago hoping to restore the agency's morale, budget and public image after a damaging decade. He has done well on the first two goals, reviving enthusiasm at the CIA and giving it probably the largest proportionate budget growth of any agency. But he has failed to improve the CIA's image with Congress and the public—and may even have made it worse—largely because of his own mistakes.

William Casey

Mr. Casey slipped on the banana peel of "covert action"—specifically the CIA's "covert" war against the government of Nicaragua. He plunged ahead, despite warnings from his own aides that the program couldn't be kept secret and would blow up in the CIA's face. When those predictions came true, Mr. Casey made things worse by mishandling his already strained relationship with Congress.

"What Bill did wrong was to let the agency get back into large-scale covert action, which isn't covert action at all, but an unofficial form of warfare," argues Sen. Daniel P. Moynihan, a former member of the Senate Intelligence Committee and one of Mr. Casey's sharpest critics.

A leading member of the House Intelligence Committee sums up the balance sheet this way: "Mr. Casey deserves credit for improving morale at the agency. But he has focused the agency on the wrong thing—covert action. And I don't have any doubt that the image of the CIA today is as bad as it's been in recent years in Congress, and probably the country."

Irreverent New Yorker

Mr. Casey, a New Yorker who is irreverent toward official Washington, isn't wild about Congress, either. Exasperated by what he viewed as unfair congressional criticism, he joked to a friend recently: "The best thing about Washington is that it's only an hour from New York." Though he remains wary of Congress, aides say he now is trying hard to improve relations.

For all his failings, the cantankerous Mr. Casey is a colorful personality in a generally gray administration. He is a compulsive reader who races through several books in an evening. He has an Irishman's temper, with strong loyalties to his friends and long grudges against his enemies. And he is a notorious mumbler, who talks in gruff fragments of sentences that are often unintelligible.

"Casey gives the impression, because he mumbles, that he has a messy mind," says former CIA director Richard Helms. "But he doesn't have a messy mind at all. He has a tidy mind. And he has the street smarts of a lot of New Yorkers."

OSS and SEC

A CIA colleague once described Mr. Casey, only half in jest, as "an American colossus." He is certainly an American success story, a self-made millionaire who got where he is by hustling, playing politics and taking risks. As a young lawyer, he joined the wartime Office of Strategic Services and ran spies into Europe. Later, he made a fortune as a tax lawyer by publishing books about tax laws. Still later, he was chairman of the Nixon-era Securities and Exchange Commission. Finally, he managed President Reagan's 1980 presidential campaign.

Mr. Casey brought the same hard-charging, risk-taking style to the CIA, and it caused him problems. The agency, still struggling to recover from the traumas of the 1970s, was in many ways a frightened and self-protective institution when he arrived. It wanted public and congressional support, and that meant avoiding controversies. Mr. Casey, in contrast, wanted to mobilize the agency and test the limits of its congressional mandate.

The new director plunged into his job with boyish enthusiasm—zapping off daily suggestions to CIA analysts, touring CIA stations overseas, and taking a personal hand in planning covert-action programs. In his eagerness to revive the agency, remarked one colleague, Mr. Casey sometimes acted "like a first-year case officer."

His greatest successes at the CIA have probably been in improving the analytical side of the agency, known as the directorate of intelligence. He told one friend in 1981 that he knew how to produce good intelligence estimates because he had earned a fortune doing the same thing in his tax guides—taking complex data and putting it into concise and readable form.

Mr. Casey started by reorganizing the intelligence directorate along mainly geographical lines, so that analysts studying the Soviet economy and the Soviet leadership worked in the same section rather than different ones. He increased the quantity and, by most accounts, the quality of CIA reports. And he installed Robert Gates, a widely respected young CIA officer, as deputy director for intelligence.

Some of the analytical reforms were simple. The CIA had never bothered, for example, to keep files of each analyst's work, so it was impossible to assess whether an analyst's predictions tended, over time, to be accurate. Mr. Casey and Mr. Gates started keeping files.

The CIA still makes too many mistakes. It correctly forecast some major events in Lebanon, from the Israeli invasion in 1982 to Syria's later intransigence, but it failed to provide specific warnings about the bombs that destroyed the American Embassy and Marine headquarters in Beirut in 1983. It correctly forecast that Yuri Andropov would succeed Leonid Brezhnev as Soviet leader, but it failed to predict the later succession of Konstantin Chernenko.

Trying Harder

Under Mr. Casey and Mr. Gates, analysts are at least trying harder. The intelligence community produced 75 interagency estimates in 1983, compared with about 12 in 1980, and the agency embarked on about 800 long-term research projects, studying everything from likely Soviet weapons in the year 2000 to the history of Shiite Islam in the 12th century.

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